

REGISTERED NUMBER: 10631201 (England and Wales)

NOBEL MIDCO LIMITED

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 March 2022**



**Contents of the Financial Statements
For the Year Ended 31 March 2022**

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NOBEL MIDCO LIMITED

Company Information
for the Year Ended 31 March 2022

DIRECTORS: R J Braid
M A Lewis

REGISTERED OFFICE: The Mill
One High Street
Henley in Arden
Warwickshire
B95 5AA

REGISTERED NUMBER: 10631201 (England and Wales)

INDEPENDENT AUDITORS: PricewaterhouseCoopers LLP

**Group Strategic Report
for the Year Ended 31 March 2022**

The directors present their strategic report of the Company and the Group for the year 31 March 2022.

REVIEW OF BUSINESS

The key performance indicators that the Directors utilise to measure the performance of the business are the level of profits achieved in the year, together with the strength of the secured order book for the contracting business, and the extent to which projects have been progressed resulting in value being added, albeit unrealised until disposal, for the property development businesses.

The contracting business, which deals with specialist demolition, remediation, and decommissioning works, has achieved a good level of turnover and profit. The Directors are satisfied with the year's financial results and the forecast for the year ended 31 March 2023 is underpinned by a strong secured order book - £49.8m (92% of the target for the year).

The property development businesses have together generated a profit of £5.5m before finance charges. There have also been significant steps forward in bringing a number of projects towards realisation, resulting in significant added value, albeit unrealised at the year end. It is anticipated that this added value will be realised in future accounting years.

FINANCIAL REVIEW AND KPIS

Turnover in the year was £69.7m (2021: £32.1m). Given the nature of the Group's business operations, fluctuations in turnover are expected from year to year depending on the timing of land sales and development work.

The gross margin percentage in the year is 38% (2021: 36%) and again fluctuations are expected due to the nature and mix of land sales.

The Group monitors its year on year performance by calculation of DSM Demolition Limited earnings before interest, tax, depreciation, amortisation and exceptional items (adjusted EBITDA) which for the year were £15.3m (2021: £11.6m).

FUTURE DEVELOPMENTS

Management continue to pursue opportunities to purchase land with the aim of providing income streams to all companies within the Group. In terms of DSM Demolition Limited, management have been successful in securing a number of framework agreements which helps to reduce the amount of competition. Management are also looking at a programme of diversification into more specialist areas of demolition which would see increased margins due to perceived marketplace risk.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company faces a number of risks and uncertainties that may have an impact on its operation or future performance.

It is important for the Board to effectively manage risks and opportunities in seeking to achieve the Company's objectives. The Directors have overall responsibility for risk management and internal control systems.

The risks and uncertainties described below represent those which the Directors consider to be the most significant in achieving the Company's objectives.

**Group Strategic Report
for the Year Ended 31 March 2022**

Inflationary cost pressures

The business has some exposure to commodity price risk as a direct result of its operations; in particular in relation to fuel, labour, and to a lesser extent, materials. The risk is managed on a project-by-project basis, with the business being fortunate, that the period between tender and start on site is typically relatively short, and that most projects are not long-term in nature. The directors keep all supply agreements under continuous review and similarly are closely involved in setting tender pricing.

Environmental and health and safety legislation

The Group is subject to regulatory compliance risk which can arise from a failure to comply with the applicable laws, regulations or codes mainly involving health and safety laws, environmental laws such as those relating to asbestos, and planning regulations. The Directors are not aware of any legislative changes, either made or proposed, that will have any significant impact upon the results of the business.

**STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH
SECTION 172(1) COMPANIES ACT 2006**

The Board of Directors (the "Board") confirm it has performed its duties in respect of Section 172 of the Companies Act 2006. Specifically, the Board has considered the long-term factors affecting the Company and its strategic direction. The Board has engaged with the Company's stakeholders which assists the Board in its decision-making process and in fulfilling its duty to promote the success of the Company as set out in Section 172.

The Board has fulfilled their duties as follows:

On an ongoing basis the Board assesses the major risks affecting the Company and develops appropriate responses to address those risks in an efficient and effective manner. This is taken into consideration when setting goals, budgets and forecasting financial performance. This ensures that the Company understands the financial impact of such risks and can respond to these given situations on a timely basis.

The Board comprises members additional to the directors of the Company:

F Nelson
P Dougall
R Blase

Employees

Employees are key to our success. The Company engages with employees on a regular basis. Supervisor meetings are held to cover a range of topics such as health and safety, financial performance, outlook, and training opportunities. The Company monitors staff turnover to understand the reasons why staff have opted to pursue alternative career opportunities. The Company invests in the future of the business and has a successful apprenticeship program.

Business relationships

We aim to exceed our customers' expectations. The Company seeks to achieve this through regular communication and delivering high quality services to our customers. We continually try to enhance our services to maintain our strong business relationships with our existing and potential customers.

Suppliers

All of our suppliers are integral to the success of the Company, and we have regular ongoing dialogue with our supply chain.

**Group Strategic Report
for the Year Ended 31 March 2022**

Communities

The Company is committed to make a positive contribution to the local community and the environment. A key priority is the health and well-being of our employees. We also aim to reduce the Company's impact on the environment, for example, through energy-saving initiatives and waste reduction, and have begun the process of assessing potential physical and transitional climate risks.

Shareholders

The Company is a member of a group. The Board maintains regular ongoing dialogue with the ultimate controlling parties; MCP Private Capital Fund II Scsp and MCP Private Capital Fund III Scsp, the parent and fellow group undertakings.

Regulators

The Board ensures the Company is in compliance with all regulatory requirements. In particular in compliance with health and safety regulations, Modern Slavery Act, and Bribery Act.

**Group Strategic Report
for the Year Ended 31 March 2022**

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The Group's energy consumption has been collated and calculated based on actual and estimated quantities of fuel used. This has then been multiplied by an industry standard conversion rate to kWh dependent on the fuel type. The relevant year's UK Government Greenhouse Gas Conversion Factors documents have been used to calculate this report. This is a SECR report for the calendar year 2021.


	2021	2020
Energy consumption used to calculate emissions (mWh)	34,181	19,689
Scope 1 emissions in metric tonnes CO₂e		
Owned transport		
HGVs	1,127	866
Cars and vans	-	-
Petrol Vehicles	3	3
Process Emissions		
Gas Oil	5,963	3,230
Propane	18	19
Natural Gas	16	16
Kerosene	-	-
Petrol	-	-
	<u>7,127</u>	<u>4,134</u>
Total Scope 1		
Scope 2 emissions in metric tonnes CO₂e	<u>2</u>	<u>2</u>
Purchased electricity	<u>2</u>	<u>2</u>
Total Scope 2		
Scope 3 emissions in metric tonnes CO₂e		
Transportation	2,125	1,302
Waste disposal ACMS	<u>625</u>	<u>232</u>
Total Scope 3	<u>2,750</u>	<u>1,535</u>

Measures taken to improve energy efficiency

The Company is committed to achieving Net Zero emissions by 2050, and if possible, sooner. Actions taken to improve energy efficiency to date include:

- Arden Road has replaced all lights with LEDs and are PIR enabled in the offices and external security floodlights are on automatic timers.
- DSM Demolition Limited is trialling electric vehicles and has installed vehicle charging points at Arden Road.
- DSM Demolition Limited operates vehicle sharing for work sites, to minimise business mileage.

ON BEHALF OF THE BOARD:



M A Lewis - Director

Date: Dec 15, 2022

**Report of the Directors
for the Year Ended 31 March 2022**

The directors present their report with the audited financial statements of the Group and Company for the year ended 31 March 2022.

MATTERS COVERED IN STRATEGIC REPORT

In accordance with the Companies Act 2006, the Directors have produced a strategic report that includes a review of the business, future developments, Streamlined Energy and Carbon Reporting and other information of strategic importance.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of the development and sale of real estate. The group will continue to operate within its sector and focus on growth and profitability.

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

R J Braid
M A Lewis

GOING CONCERN

The directors continue to adopt the going concern basis of accounting in preparing the Group's financial statements. The directors have applied sensitivities to the forecast outturn and considered downside scenarios, including site sales being delayed or a fall in DSM Demolition Limited revenue. St Francis Group has the option to suspend expenditure on sites to align with Group cashflow needs, enabling the Group to manage the impact of these downside scenarios. In addition, the directors have further options available to mitigate cashflow reductions and maintain headroom, such as the suspension of non-essential capital expenditure.

The short to medium term outlook for industrial and logistics real estate is strong as industry reappraises the resilience in its supply chain and retail continues to migrate to online sales. Moreover, the political policy of 'Build Back Better' continues to be supportive of regeneration and infrastructure projects providing confidence in future pipeline opportunities for DSM Demolition Limited.

The base case business plan is well supported by the strength of DSM Demolition Limited secured order book and a number of the St Francis Group land sales being under offer or exchanged, at market leading prices. The cashflow shows that the Group has sufficient cash headroom to continue to operate and meet its obligations over the coming year.

KEY PERFORMANCE INDICATORS

The key performance indicators that the Directors utilise to measure the performance of the business are the level of profits achieved in the year, together with the strength of the order book for the contracting business, and the extent to which projects have been progressed resulting in value being added, albeit unrealised until disposal, for the property development businesses.

FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks. The Company's overall risk management programme seeks to minimise potential risks for the Company. Management reviews and agrees policies for managing risks. The most important components of financial risk affecting the Company are credit risk and liquidity risk.

Liquidity risk

Detailed cash flow forecasts are prepared to assess the Group's cash requirements. The Group proactively assesses and manages its cash requirements and its available facilities to ensure sufficient funds are available at all times.

**Report of the Directors
For the Year Ended 31 March 2022**

FINANCIAL RISK MANAGEMENT – continued

Interest rate risk

The Company may borrow from its bankers using either overdrafts or term loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rates.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

At the time this report is approved, and during the financial year, a qualifying third-party indemnity provision was in place for the benefit of one or more of the directors.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

NOBEL MIDCO LIMITED

**Report of the Directors
For the Year Ended 31 March 2022**

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
M A Lewis - Director

Date: Dec 15, 2022
.....

**Independent auditors' report
to the members of NOBEL MIDCO LIMITED**

Opinion

In our opinion, Nobel Midco Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2022 and of the group's and company's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report of the Directors and Financial Statements (the "Annual Report"), which comprise: Consolidated and Company Balance Sheets as at 31 March 2022; the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated Cash flow Statement and the Consolidated and Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Independent auditors' report
to the members of NOBEL MIDCO LIMITED**

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

**Independent auditors' report
to the members of NOBEL MIDCO LIMITED**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Tax legislation, Health and Safety and Environmental Regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue, the income statement and cash and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing unusual credit journal entries to revenue and to the income statement and unusual credits to cash;
- Assessing key judgements and estimates made by management for evidence of bias;
- Review of senior management minutes and new significant contracts within the company; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Independent auditors' report
to the members of NOBEL MIDCO LIMITED**

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Neil Philpott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

15 December 2022

NOBEL MIDCO LIMITED

**Consolidated Income Statement
for the Year Ended 31 March 2022**

	Notes	31.3.22 £	31.3.21 £
TURNOVER	3	69,929,252	32,058,088
Cost of sales		<u>(43,984,176)</u>	<u>(20,532,377)</u>
GROSS PROFIT		25,945,076	11,525,711
Administrative expenses		(18,371,259)	(14,835,266)
Other operating income		15,480	185,817
GROUP OPERATING PROFIT/(LOSS)		7,589,297	(3,123,738)
Analysed as:			
Gross profit		25,945,076	11,525,711
Other operating income		15,480	185,817
Other administrative expenses		<u>(5,842,958)</u>	<u>(9,200,540)</u>
Adjusted EBITDA		20,117,598	2,510,988
Depreciation	13	(2,731,034)	(2,786,062)
Amortisation of goodwill	12	(4,295,421)	(5,171,576)
Exceptional items	6	<u>(5,501,846)</u>	<u>2,322,912</u>
GROUP OPERATING PROFIT/(LOSS)	5	7,589,297	(3,123,738)
Share of operating profit/(loss) in Joint Ventures		640,734	(92,526)
Interest receivable and similar income	7	2,848,604	2,487,273
Interest payable and similar expenses	8	<u>(15,006,202)</u>	<u>(14,037,926)</u>
LOSS BEFORE TAXATION		(3,927,567)	(14,766,917)
Tax on loss	9	<u>(1,436,756)</u>	<u>(1,907,498)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(5,364,323)</u>	<u>(16,674,415)</u>
(Loss)/ profit attributable to:			
Owners of the parent		(5,364,323)	(17,395,617)
Non-controlling interests		<u>-</u>	<u>721,202</u>
		<u>(5,364,323)</u>	<u>(16,674,415)</u>

The notes form part of these financial statements

NOBEL MIDCO LIMITED

**Consolidated Statement of Other Comprehensive Income
for the Year Ended 31 March 2022**

	31.3.22 £	31.3.20 £
LOSS FOR THE FINANCIAL YEAR	(5,364,323)	(16,674,415)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	<u>(5,364,323)</u>	<u>(16,674,415)</u>
Total comprehensive expense attributable to:		
Owners of the parent	(5,364,323)	(17,395,617)
Non-controlling interests	-	721,202
	<u>(5,364,323)</u>	<u>(16,674,415)</u>

The notes form part of these financial statements

NOBEL MIDCO LIMITED

**Consolidated Balance Sheet
as at 31 March 2022**

	Notes	31.3.22 £	31.3.21 £
FIXED ASSETS			
Intangible assets - goodwill	12	-	5,863,380
Intangible assets - negative goodwill	12	(4,873,677)	(6,441,636)
Tangible assets	13	8,379,727	5,942,177
Investments	14		
Interest in Joint Venture			
Share of gross assets		3,864,361	5,558,569
Share of gross liabilities		(1,237,750)	(3,797,443)
		<u>6,132,661</u>	<u>7,125,047</u>
CURRENT ASSETS			
Inventory	15	22,177,581	33,804,248
Debtors	16	48,252,526	38,441,266
Cash at bank		<u>9,820,388</u>	<u>12,132,975</u>
		80,250,495	84,378,489
CREDITORS:			
Amounts falling due within one year	17	<u>(137,618,591)</u>	<u>(136,080,989)</u>
NET CURRENT LIABILITIES		<u>(57,368,096)</u>	<u>(51,702,500)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(51,235,435)</u>	<u>(44,577,453)</u>
CREDITORS:			
Amounts falling due after more than one year	18	(1,569,616)	(5,231,309)
PROVISIONS FOR LIABILITIES	22	<u>(2,368,034)</u>	<u>-</u>
NET LIABILITIES		<u>(55,173,085)</u>	<u>(49,808,762)</u>

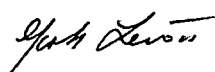
The notes form part of these financial statements

NOBEL MIDCO LIMITED

Consolidated Balance Sheet - continued
as at 31 March 2022

	Notes	31.3.22 £	31.3.21 £
CAPITAL AND RESERVES			
Called up share capital	23	100,001	100,001
Accumulated losses		<u>(55,273,086)</u>	<u>(49,908,763)</u>
TOTAL SHAREHOLDERS' DEFICIT		<u>(55,173,085)</u>	<u>(49,808,762)</u>

The financial statements were approved by the Board of Directors and authorised for issue on
Dec 15, 2022 and were signed on its behalf by:



M A Lewis – Director

The notes form part of these financial statements

NOBEL MIDCO LIMITED

**Company Balance Sheet
as at 31 March 2022**

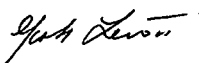
	Note	31.3.22 £	31.3.21 £
FIXED ASSETS			
Investments	14	4	4
CURRENT ASSETS			
Debtors	16	98,040,791	90,871,672
Cash at bank		4,526	5,600
		98,045,317	90,877,272
CREDITORS			
Amounts falling due within one year	17	(110,598,276)	(99,263,003)
NET CURRENT LIABILITIES		(12,552,959)	(8,385,731)
TOTAL ASSETS LESS CURRENT LIABILITIES		(12,552,955)	(8,385,727)
CAPITAL AND RESERVES			
Called up share capital	23	100,001	100,001
Accumulated losses		(12,652,956)	(8,485,728)
TOTAL SHAREHOLDERS' DEFICIT		(12,552,955)	(8,385,727)
Company's loss for the financial year		(4,167,228)	(3,515,633)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on

Dec 15, 2022

and were signed on its behalf by:



M A Lewis – Director

The notes form part of these financial statements

NOBEL MIDCO LIMITED

**Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2022**

	Called up share capital £	Accumulated losses £	Total £	Non- controlling interests £	Total Equity £
Restated balance at 1 April 2020	100,001	(32,873,146)	(32,773,145)	(721,202)	(33,494,347)
Changes in equity					
Total comprehensive (expense)/income	-	(17,395,617)	(17,395,617)	721,202	(16,674,415)
Credit to equity for equity settled share- based payments	-	360,000	360,000	-	360,000
Balance at 31 March 2021	100,001	(49,908,763)	(49,808,762)	-	(49,808,762)
Changes in equity					
Total comprehensive expense	-	(5,364,323)	(5,364,323)	-	(5,364,323)
Balance at 31 March 2022	100,001	(55,273,086)	(55,173,085)	-	(55,173,085)

The notes form part of these financial statements

NOBEL MIDCO LIMITED

**Company Statement of Changes in Equity
for the Year Ended 31 March 2022**

	Called up share capital £	Accumulated losses £	Total equity £
Balance at 1 April 2020	100,001	(4,970,095)	(4,870,094)
Changes in equity			
Total comprehensive expense	-	(3,515,633)	(3,515,633)
Balance at 31 March 2021	100,001	(8,485,728)	(8,385,727)
Changes in equity			
Total comprehensive expense	-	(4,167,228)	(4,167,228)
Balance at 31 March 2022	100,001	(12,652,956)	(12,552,955)

The notes form part of these financial statements

**Consolidated Cash Flow Statement
for the Year Ended 31 March 2022**

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations		14,347,492	7,561,471
Tax (paid)/received		(6,455,938)	23,257
Net cash generated from operating activities		<u>7,891,554</u>	<u>7,584,728</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,211,791)	(1,109,730)
Sale of tangible fixed assets		286,063	400,434
Distributions from related parties		-	1,799,876
Interest received		3,529,218	159,109
Net cash (used in)/generated from investing activities		<u>(1,396,510)</u>	<u>1,249,689</u>
Cash flows from financing activities			
New loans in year		3,526,128	5,000,000
Interest paid		(4,102,120)	(3,834,147)
Interest element of hire purchase payments paid		(93,124)	(76,318)
Hire purchase loan repayments		(3,038,515)	(2,477,535)
Loan repayments		(5,100,000)	(3,000,000)
Net cash used in financing activities		<u>(8,807,631)</u>	<u>(4,388,000)</u>
(Decrease)/ increase in cash and cash equivalents		(2,312,587)	4,446,417
Cash and cash equivalents at beginning of year		12,132,975	7,686,558
Cash and cash equivalents at end of year		<u>9,820,388</u>	<u>12,132,975</u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2022**

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.3.22	31.3.21
	£	£
Loss before taxation	(3,927,567)	(14,766,917)
Depreciation charges	2,731,034	2,786,062
Profit on disposal of fixed assets	(242,856)	(202,381)
(Income)/expense from associates and joint venture	(640,734)	92,526
Impairment of inventory	78,804	1,449,694
Profit on disposal of investment	(878,882)	-
Amortisation charge	4,295,421	5,171,576
Share based payments	-	360,000
Finance costs	15,006,202	14,037,926
Finance income	(2,848,604)	(2,487,273)
	<u>13,572,818</u>	<u>6,441,213</u>
Decrease in stocks	11,626,667	870,570
Increase in trade and other debtors	(7,670,623)	(3,909,423)
(Decrease)/increase in trade and other creditors	<u>(3,181,370)</u>	<u>4,159,111</u>
Cash generated from operations	<u><u>14,347,492</u></u>	<u><u>7,561,471</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

As at 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u><u>9,820,388</u></u>	<u><u>12,132,975</u></u>

As at 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	<u><u>12,132,975</u></u>	<u><u>7,686,558</u></u>

Notes to the Consolidated Cash Flow Statement - continued
for the Year Ended 31 March 2022

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.21 £	Cash flow £	Non-cash charges £	At 31.3.22 £
Net cash				
Cash at bank and in hand	12,132,975	(2,312,587)	-	9,820,388
Debt				
Finance leases	(3,698,910)	(487,792)	-	(4,186,702)
Debts falling due within 1 year	(106,870,144)	5,100,000	(14,782,981)	(116,553,125)
Debts falling due after 1 year	(3,954,336)	-	3,954,336	-
	<u>(114,523,390)</u>	<u>4,612,208</u>	<u>(10,828,645)</u>	<u>(120,739,827)</u>
Total	<u>(102,390,415)</u>	<u>2,299,621</u>	<u>(10,828,645)</u>	<u>(110,919,439)</u>

Non-cash items relate to accrued interest and the amortisation of capitalised borrowing costs.

**Notes to the Financial Statements
for the Year Ended 31 March 2022**

1. STATUTORY INFORMATION

Nobel Midco Limited is a private company, limited by shares, registered in England and Wales and incorporated in the United Kingdom. The Company's registered number and registered office address can be found on the Company Information page. The Company operates as a holding company, its subsidiaries undertake demolition and reclamation services, sale of land and management of the overall Nobel Topco Limited group. Its subsidiaries undertake demolition, remediation and decommissioning services, sale of land, development of land, development management services and management of the overall Nobel Topco Limited group.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements and statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention. Accounting policies have been consistently applied.

Financial Reporting Standard 102 - reduced disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The Company has taken advantage of the following exemptions in its individual financial statements:

- i. from preparing a Company statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.
- ii. from the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;
- iii. from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Going concern

The directors have considered the period ending 19 months after approving these financial statements. The Group forecast has been updated to reflect the impact of inflation and rising interest rates and has then been stress tested, which showed the Group is able to continue to operate and meet its obligations during this period. In addition, the directors have considered the options available to further improve cash headroom, such as pausing work on certain development projects or suspending non-essential capital expenditure. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

Subsequent to the year end, the parties to the Company's Facility Agreement, have confirmed in writing, to the Directors, an extension of their loan in line with the clauses of the Facility Agreement to cover the Going Concern period. Consequently, based on the forecasts produced, stress tests and facilities available to the group the directors believe that it remains appropriate to continue to prepare the financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Nobel Midco Limited and its wholly owned subsidiaries made up to the 31 March 2022.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

2. ACCOUNTING POLICIES - continued

Demolition and reclamation contracts

Revenue arising from demolition and reclamation contracts is recognised in accordance with the Group's accounting policy on such contracts. An appropriate proportion of revenue from these contracts is recognised by reference to the stage of completion of contract activity.

Where the outcome of a contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. The extent to which the contract is complete is determined by the total costs incurred to date as a percentage of the total anticipated costs of the entire contract. Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Other operating income comprises rental income and is accounted for on a straight line basis over the lease term.

Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received (including the fair value of any residential properties received in part-exchange), excluding discounts, rebates, VAT and other sales taxes or duty. Where required, revenue is allocated between components in a multi-element transaction based on their respective fair values of the components. The following criteria must also be met before revenue is recognised:

Sale of property

Revenue arising from the sale of property is recognised upon the sale becoming unconditional.

Long term contracts

Profit is assessed on long term contracts on a contract basis and is reflected in the Profit and Loss Account by recording turnover and related costs in line with a surveyors assessment of contract progression.

Provision is made for all known losses and expected losses as soon as they are foreseen. Uninvoiced amounts are shown within debtors as accrued income, any amounts received in excess of the value of work done are shown in creditors as deferred income

Turnover represents amounts invoiced to customers for services provided, net of trade discounts and value added tax. Turnover is recognised as the contracts progress to reflect the Company's partial performance. The amount of the turnover recognised reflects the Company's right to payment which is based on internal valuations of work completed which will be subsequently agreed with customers through an application process.

Amounts to be certified by the customer are formally applied for on a monthly basis and recognised in the financial statements on that basis. Where additional work is performed prior to the year end but not applied for an estimate is made based on the same process as above. This amount is accrued in the financial statements at the year end.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Long term contracts continued

In assessing turnover recognised in respect of a contract an assessment is made of the amount expected to be received for the work. Where it is believed that amounts may not be recoverable they are not recognised. Contracts contain an element of turnover which is withheld as retention monies until performance has been satisfactorily completed. Retention monies are recognised as turnover and debtors to the extent that they are considered virtually certain as recoverable without additional remedial work being performed.

The total turnover of the Company for the year has been derived from its principal activity, which is described within the directors' report, wholly undertaken in the UK and Ireland. It arises from continuing operations for this and the previous year.

Goodwill

Goodwill represents the excess of the cost of acquisition over the Company's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the time of the hive-up. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the profit and loss account and is not subsequently reversed. Positive goodwill is amortised over 5 years. Negative goodwill is capitalised and amortised over the period of consumption of the non-monetary assets in the associated acquisition.

Individual Income Statement

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined based on the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- 11% on cost
Plant and machinery	- 25% Straight Line
Fixtures and fittings	- 25% Straight Line
Motor vehicles	- 25% Straight Line
Office equipment	- 25% Straight Line

Joint ventures

Joint Ventures have been accounted for using the gross equity method. The investment has been treated as a fixed asset investment within the individual company financial statements. For the basis of consolidation, the Group share of the joint venture's profit and loss has been included as well as the share of the gross assets and gross liabilities.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less accumulated impairment losses.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

2. ACCOUNTING POLICIES - continued

Inventories

Inventories principally comprise land and property under development with a view to sale. All inventories are carried at the lower of cost and net realisable value.

Cost comprises land, direct materials and, where applicable, direct labour costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less any further costs expected to be incurred to completion and disposal.

Financial instruments

The Company has financial assets that are debt instruments measured at amortised cost and financial liabilities measured at amortised cost. No financial assets are measured at fair value through the profit and loss.

The Company has no derivative financial instruments (2021: £nil)

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant year. The capital element of the future payments is treated as a liability.

Operating lease costs are charged to the profit and loss account on a straight line basis over the lease term.

Pension costs and other post-retirement benefits

The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to profit or loss in the year to which they relate.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

2. ACCOUNTING POLICIES - continued

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items that are material either because of their size or their nature, or that are non-recurring items.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Key sources of estimation uncertainty

In the application of the Group's accounting policies outlined above, the directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on information from consultants, historical experience and other factors that are considered to be relevant and so actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Construction or remediation contracts

Where the outcome of a construction or remediation contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. The extent to which the contract is complete is determined by the total costs incurred to date as a percentage of the total anticipated costs of the entire contract. Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue.

Contract revenue

Where a contract is ongoing at the end of the period the estimation of cost to complete is the key assumption to determine contract profitability. There is a degree of inherent uncertainty in the estimation of cost to complete. In order to limit this uncertainty these estimates are calculated by senior personnel with the appropriate market experience and knowledge. The areas of estimation that the directors deem to be significant when determining contract profitability are as follows:

Labour and plant – The nature of DSM Demolition Limited work is intensive in terms of both direct labour and plant. Detailed project phasing and resource planning is undertaken prior to the work commencing. As part of this assessment, the management team assesses the quantity and types of operatives needed to complete the phase. An hourly rate is provided for each level of employee. Work methods are assessed by management with the completion of risk assessments and method statements, to understand the types of machines needed to complete a project. Plant costs are charged via a software system that controls all plant logistics and plant daily rates. Plant is maintained to a high standard in house to mitigate unexpected increase in repair cost. The Company maintains detailed time sheets for both its employees and its plant, to ensure costs are captured accurately and completely at a contract level. These are reviewed by senior management on a monthly basis and reappraised where appropriate.

Price of subcontracting – the majority of contracts are delivered, utilising in house resource. However, on occasion it is necessary to use specialist third party sub-contractors. This is considered by the directors at the beginning of a project and subcontractors appointed based on fixed price tenders.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Key sources of estimation uncertainty - continued

Scrap - From time to time the Company will undertake projects which have a "scrap element" which is of sufficient materiality so as to be considered in initial pricing of the work, and/or in determining the outturn margin for a particular contract. In such situations, the potential volume and price of scrap is carefully estimated at the start of, and then monitored throughout, the project. The Company can use specialist 3rd party consultants to support senior management with this process, moreover the Company also has established relationships with a number of recycling businesses who will buy both ferrous and non-ferrous metals.

Sale of land

Where land sales in the year represent a partial sale of owned land, an exercise is performed in order to assess the sales value as a proportion of the expected value of the plot in its entirety. To recognise costs appropriately in line with the Company's revenue recognition policy, with certain costs covering the whole site, the proportion of total sales value is applied to the total estimated costs for the project. Budgets are reviewed periodically by the directors and, if necessary, additional costs are recognised in the year they arise, or deferred to future periods in order to deliver a consistent margin across sales of the site.

Recoverability of debtors and intercompany debtors

The ability of the group company that is counterparty to the intercompany debtor is reliant on that company generating sufficient returns to satisfy its debt, which may be linked to sales expected in the future. The directors consider the likelihood that the intercompany debtor will be recoverable and, where appropriate, reflect provisions necessary to reduce balances held to their recoverable amount.

The directors consider the recoverability of debtors, utilising the best evidence available at the time of signing the financial statements, noting that there are a range of potential outcomes and where an impairment is identified a provision booked.

Net realisable value of inventories

The Group has ongoing procedures for assessing the carrying value of inventories and identifying where this is in excess of net realisable value. The estimates and judgements for both revenue and costs were based on information available at, and pertaining to, the balance sheet date, with reference to recent experience on similar properties and site-specific knowledge. Any subsequent adverse changes in market conditions may result in provisions being required.

3. TURNOVER

The turnover and loss before taxation are attributable to the two principal activities of the Group.

An analysis of turnover by class of business is given below:

	31.3.22	31.3.21
	£	£
Sale of land	10,189,000	6,079,836
Sale of goods	3,776,442	2,413,316
Rendering of services	55,963,810	23,564,936
	<u>69,929,252</u>	<u>32,058,088</u>

Turnover is derived from sales of land within the United Kingdom.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

4. EMPLOYEES AND DIRECTORS

	31.3.22	31.3.21
	£	£
Wages and salaries	10,744,220	8,838,381
Social security costs	1,393,293	1,024,122
Other pension costs	448,461	339,134
	<u>12,585,974</u>	<u>10,201,637</u>

The average monthly number of employees during the year was as follows:

	31.3.22	31.3.21
Site based employees	120	111
Office based staff and management	<u>55</u>	<u>56</u>
	<u>175</u>	<u>167</u>

	31.3.22	31.3.21
	£	£
Directors' remuneration	1,178,354	1,081,907
Directors' pension contributions to money purchase schemes	<u>8,000</u>	<u>8,500</u>

The number of directors within the Group for whom retirement benefits were accruing was as follows:

	31.3.22	31.3.21
Money Purchase schemes	<u>7</u>	<u>7</u>

Information regarding the highest paid director is as follows:

	31.3.22	31.3.21
	£	£
Remuneration	795,915	727,847
Pension contributions to money purchase schemes	<u>4,000</u>	<u>4,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

5. GROUP OPERATING LOSS

The operating loss is stated after charging/(crediting):

	31.3.22	31.3.21
	£	£
Depreciation - owned assets	757,933	1,115,553
Depreciation - assets on hire purchase contracts	1,973,101	1,670,509
Profit on disposal of fixed assets	(242,856)	(202,381)
Negative goodwill amortisation	(1,567,959)	(684,889)
Positive goodwill amortisation	5,863,380	5,856,465
Operating lease rentals	275,605	305,978
Auditors' remuneration for audit of the financial statements	15,000	7,210
Fees payable to the Company's auditors and their associates for other services:		
- Audit of the company's subsidiaries	165,398	124,490
- Tax advisory services	79,725	110,444

6. EXCEPTIONAL ITEMS

	31.3.22	31.3.21
	£	£
Other exceptional items	(3,901,846)	2,322,912
Regulatory fine	(1,600,000)	-
Exceptional items	(5,501,846)	2,322,912

Included within exceptional items, the Company has made a provision of £1.6m in full settlement of a regulatory infringement. The settlement related to a single, historical breach of the regulatory rules. The Company has cooperated with the associated inquiry and the Directors have taken a number of steps, including compliance training, to prevent this from occurring again.

Other exceptional items in 2022 and 2021 primarily relate to different one off legal and professional costs.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.3.22	31.3.21
	£	£
Bank interest	2,886	8,298
Other interest	2,845,718	2,478,975
	2,848,604	2,487,273

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.22	31.3.21
	£	£
Bank loan interest	237,750	716,427
Loan note interest	13,841,607	12,346,485
Loan arrangement fees	662,985	761,229
Hire purchase	93,304	76,172
Other interest charges	170,556	137,613
	<u>15,006,202</u>	<u>14,037,926</u>

9. TAX ON LOSS

Analysis of the tax charge

The tax charge on the loss for the period was as follows:

	31.3.22	31.3.21
	£	£
Current tax:		
UK corporation tax on profits for the year	2,168,342	2,453,133
Adjustment in respect of prior periods	(1,499,620)	(545,635)
Total current tax	668,722	1,907,498
Deferred tax:		
Origination and reversal of timing differences	768,034	-
Tax on loss	<u>1,436,756</u>	<u>1,907,498</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	£	£
Loss before tax	<u>(3,927,567)</u>	<u>(14,766,917)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19%	(746,238)	(2,805,714)
Effects of:		
Expenses not deductible for tax purposes	2,722,697	2,750,446
Depreciation in excess of capital allowances	(869,769)	(22,069)
Income not subject to tax	(193,166)	(32,954)
Joint Venture	(121,740)	1,350,546
Amortisation	1,272,066	1,212,878
Partnership profit	104,492	-
Deferred tax	768,034	-
Adjustment in respect of prior years	(1,499,620)	(545,635)
	<u>1,436,756</u>	<u>1,907,498</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

9. TAX ON LOSS (continued)

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining reducing at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

10. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

11. PENSION COSTS

The Group operated a defined contribution pension scheme in respect of the directors and certain staff. The scheme and its assets are held by independent managers. The pension charge represents contributions paid by the Group and amounted to £448,461 (2021: £339,134).

12. INTANGIBLE ASSETS

	Negative Goodwill £	Positive Goodwill £	Total £
COST			
At 1 April 2021			
and 31 March 2022	<u>(13,344,273)</u>	<u>29,290,623</u>	<u>15,946,350</u>
ACCUMULATED AMORTISATION			
At 1 April 2021	(6,902,637)	23,427,243	16,524,606
Amortisation for year	<u>(1,567,959)</u>	<u>5,863,380</u>	<u>4,295,421</u>
At 31 March 2022	<u>(8,470,596)</u>	<u>29,290,623</u>	<u>20,820,027</u>
NET BOOK VALUE			
At 31 March 2022	<u>(4,873,677)</u>	<u>-</u>	<u>(4,873,677)</u>
At 31 March 2021	<u>(6,441,636)</u>	<u>5,863,380</u>	<u>(578,256)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

13. TANGIBLE ASSETS

	Short leasehold	Plant and machinery	Fixtures and fittings
	£	£	£
COST			
At 1 April 2021	940,647	17,328,373	63,471
Additions	-	4,561,960	-
Disposals	-	(295,227)	-
At 31 March 2022	940,647	21,595,106	63,471
ACCUMULATED DEPRECIATION			
At 1 April 2021	938,588	12,429,819	13,647
Charge for year	2,059	2,201,732	9,933
Disposals	-	(260,894)	-
At 31 March 2022	940,647	14,370,657	23,580
NET BOOK VALUE			
At 31 March 2022	-	7,224,449	39,891
At 31 March 2021	2,059	4,898,554	49,824

	Motor vehicles	Office equipment	Totals
	£	£	£
COST			
At 1 April 2021	2,754,358	632,578	21,719,427
Additions	623,934	25,897	5,211,791
Disposals	(444,637)	-	(739,864)
At 31 March 2022	2,933,655	658,475	26,191,354
ACCUMULATED DEPRECIATION			
At 1 April 2021	1,915,621	479,575	15,777,250
Charge for year	455,971	61,339	2,731,034
Eliminated on disposal	(435,763)	-	(696,657)
At 31 March 2022	1,935,829	540,914	17,811,627
NET BOOK VALUE			
At 31 March 2022	997,826	117,561	8,379,727
At 31 March 2021	838,737	153,003	5,942,177

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

13. TANGIBLE ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery	Motor vehicles	Total
COST	£	£	£
At 1 April 2021	10,400,804	849,481	11,250,285
Additions	3,040,972	481,500	3,522,472
Disposals	(260,000)	(282,150)	(542,150)
	<u>13,181,776</u>	<u>1,048,831</u>	<u>14,230,607</u>
At 31 March 2022			
ACCUMULATED DEPRECIATION			
At 1 April 2021	6,225,814	609,026	6,834,840
Charge for year	1,779,127	193,974	1,973,101
Disposals	(260,000)	(280,759)	(540,759)
	<u>7,744,941</u>	<u>522,241</u>	<u>8,267,182</u>
At 31 March 2022			
NET BOOK VALUE			
At 31 March 2022	<u>5,436,835</u>	<u>526,590</u>	<u>5,963,425</u>
At 31 March 2021	<u>4,174,990</u>	<u>240,455</u>	<u>4,415,445</u>

14. INVESTMENTS

Company	Shares in group undertakings £
COST	
At 1 April 2021 and 31 March 2022	<u>4</u>
NET BOOK VALUE	
At 31 March 2022	<u>4</u>
At 31 March 2021	<u>4</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

14. INVESTMENTS - continued

The Group or the Company's investments at the Balance Sheet date in the share capital of companies include the following:

Direct Holdings

Name	% Holding	Nature of company	Registered address
St Francis Group Developments	100	Development of building projects	1
DSM SFG Group Holding Limited	100	Holding company	1
St Francis Group 1 Limited	100	Holding company	1
St Francis Group 2 Limited	100	Holding company	1

Indirect Holdings

Name	% Holding	Parent company	Nature of company	Registered address
St Francis Group (B S Kidderminster) Limited	100	St Francis Group 1 Limited	Reclamation	1
St Francis Group (Goscote) Limited	100	St Francis Group 1 Limited	Reclamation	1
St Francis Group (Chivenor) Limited	100	St Francis Group 1 Limited	Reclamation	1
St Francis Group (Brantham) Limited	100	St Francis Group 1 Limited	Reclamation	1
St Francis Group (Kettering) Limited	100	St Francis Group 1 Limited	Reclamation	1
St Francis Group (Featherstone 2) Limited	100	St Francis Group 1 Limited	Reclamation	1
St Francis Group (Redditch) Limited	100	St Francis Group 1 Limited	Reclamation	1
Bidford Properties Limited	100	St Francis Group 2 Limited	Reclamation	1
St Francis Properties Limited	100	St Francis Group 2 Limited	Reclamation	1
St Francis Group (Utility Services) Limited	100	St Francis Group 2 Limited	Reclamation	1
Chivenor Cross Management Company (Commercial) Limited	100	St Francis Group 2 Limited	Reclamation	1
St Francis Group (Talbot Mill) Limited	100	St Francis Group 2 Limited	Reclamation	1

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

14. INVESTMENTS - continued

Name	% Holding	Parent company	Nature of company	Registered address
St Francis Group (Leamore Lane) Limited	100	St Francis Group 2 Limited	Reclamation	1
St Francis Group (Horizon 38) Limited	100	St Francis Group 2 Limited	Holding company	1
MSF Filton LLP	50	St Francis Group (Horizon 38) Limited	Reclamation	2
Core62 Limited	50	St Francis Group 2 Limited	Reclamation	1
Cayborn Limited	100	St Francis Group 2 Limited	Reclamation	1
St Francis Group Aldridge) Limited	100	St Francis Group 2 Limited	Reclamation	1
St Francis Group (Ardath Road) Limited	100	St Francis Group 2 Limited	Reclamation	1
DGH (Bolsover) Limited	100	St Francis Group 2 Limited	Holding company	1
Bolsover Land Limited	50	DGH (Bolsover) Limited	Reclamation	2
St Francis Group Limited	100	DSM SFG Group Holding Limited	Reclamation	1
DSM Demolition Limited	100	DSM SFG Group Holding Limited	Demolition services	3
DSM Decommissioning Limited	100	DSM Demolition Limited	Reclamation	1
DSM Civil Engineering Limited	100	DSM Demolition Limited	Dormant	1
DSM Environmental Limited	100	DSM Demolition Limited	Dormant	1
DSM Plant Limited	100	DSM Demolition Limited	Dormant	1

1 - The Mill, 1 High Street, Henley-in-Arden, B95 5AA

2 - 10 Upper Berkeley Street, London, W1H 79E

3 - Arden House, Arden Road, Heartlands, Birmingham, B8 1DE

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

14. INVESTMENTS - continued

Group Interest in joint venture	Interest in joint venture £
COST	
At 1 April 2021	1,761,126
Share of profit	640,734
Release of unrealised profit	224,749
At 31 March 2022	<u>2,626,610</u>
NET BOOK VALUE	
At 31 March 2022	<u>2,626,610</u>
At 31 March 2021	<u>1,761,126</u>

15. INVENTORIES

	31.3.22 £	31.3.21 £
Work-in-progress	<u>22,477,581</u>	<u>33,804,248</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

16. DEBTORS

	Group		Company	
	31.3.22	31.3.21	31.3.22	31.3.21
	£	£	£	£
Trade debtors	4,340,034	2,531,424	-	-
Amounts owed by group undertakings	668,600	348,002	97,820,608	90,865,782
Amounts owed by related parties	21,080,498	16,783,910	-	-
Other debtors	12,735,932	14,637,302	120,538	5,890
Corporation tax	1,592,610	132,587	99,645	-
Prepayments and accrued income	7,834,852	4,008,041	-	-
	<u>48,252,526</u>	<u>38,441,266</u>	<u>98,040,791</u>	<u>90,871,672</u>

All financial instruments above are measured at amortised cost. Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Within amounts owed by related parties a loan exists with Bolsover Land Limited where interest is charged at 20% per annum. The loan is secured over the value of the property. Also included within amounts owed by related parties is a loan with Core62 Limited. This is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

Other debtors includes £nil (2021: £4,733,000) falling due after more than one year in respect of the sale of land within St Francis Group (Brantham) Ltd. This is secured against a charge over the land.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.22	31.3.21	31.3.22	31.3.21
	£	£	£	£
Trade creditors	6,566,541	3,814,211	346,580	6,381
Amounts owed to group undertakings	299,499	1,000	297,600	1
Bank loans and overdrafts (see note 19)	7,962,521	3,961,132	-	-
Other loans (see note 19)	108,590,604	102,909,012	108,590,604	97,944,656
Hire purchase contracts (see note 20)	2,617,086	2,421,937	-	-
Corporation tax	-	4,327,192	-	-
Social security and other taxes	787,235	5,348,998	992	1,113
Directors' loan accounts	-	6,351	-	-
Accruals and deferred income	10,795,105	13,291,156	1,362,500	1,310,852
	<u>137,618,591</u>	<u>136,080,989</u>	<u>110,598,276</u>	<u>99,263,003</u>

All financial instruments above are measured at amortised cost. There are no further related party transactions. Finance leases are secured against the assets taken out under the lease.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.3.22	31.3.21	31.3.22	31.3.21
	£	£	£	£
Bank loans and overdrafts (see note 19)	-	3,954,336	-	-
Hire purchase contracts (see note 20)	1,569,616	1,276,973	-	-
	<u>1,569,616</u>	<u>5,231,309</u>	<u>-</u>	<u>-</u>

All financial instruments above are measured at amortised cost.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.3.22	31.3.21	31.3.22	31.3.21
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	7,962,521	3,961,132	-	-
Other Loans	<u>108,590,604</u>	<u>102,909,012</u>	<u>108,590,604</u>	<u>97,944,656</u>
Amount falling due between two and five years:				
Bank loans - 2-5 years	<u>-</u>	<u>3,954,336</u>	<u>-</u>	<u>-</u>

Two bank loans are in place within the Group. The first is a £3,000,000 revolving credit facility at an interest rate of 4.25% over 3 month LIBOR, the second is a £8,000,000 term loan at an interest rate of 3% over base lending rate over three years. This is secured against a receivable from a customer which is in turn secured against a charge over the land sold in previous periods. In the previous year a repayment of £3,000,000 was made. Future repayments totalling £5,000,000 are due in the year ending 31st March 2023.

Other loans consist of a £65,809,278 facility held with MCP and a £450,000 facility held with the Directors. Both are accruing interest at a rate of 13% per annum. This facility has been extended and is due for repayment more than 12 months following the signing of these accounts.

20. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows

	31.3.22	31.3.21
	£	£
Net obligations repayable:		
Within one year	2,617,086	2,421,937
Between one and five years	<u>1,569,616</u>	<u>1,276,973</u>
	<u>4,186,702</u>	<u>3,698,910</u>

The Group had the following minimum lease payments under non-cancellable operating leases for each of the following periods:

	31.3.22	31.3.21
	£	£
Payments due		
Not later than one year	274,708	273,067
Later than one year and not later than five years	<u>280,021</u>	<u>541,368</u>
	<u>554,729</u>	<u>814,435</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	31.3.22	31.3.21
	£	£
Bank loans	7,962,521	7,915,468
Hire purchase contracts	<u>4,186,702</u>	<u>3,698,910</u>
	<u>12,149,223</u>	<u>11,614,378</u>

Bank loans are either secured against operational cash flows, or a receivable from a customer which is in turn secured against a charge over the land sold in previous periods. The hire purchase contracts are secured against the assets to which the hire purchase relates.

22. PROVISIONS FOR LIABILITIES

	Provision for regulatory fine £	Deferred tax £	Total £
Balance at 1 April 2021	-	-	-
Additions dealt with in Income Statement during year	1,600,000	768,034	2,368,034
Utilised during year	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2022	<u>1,600,000</u>	<u>768,034</u>	<u>2,368,034</u>

23. CALLED UP SHARE CAPITAL

Group and Company:

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.22 £	31.3.21 £
100,001	Ordinary	£1	<u>100,001</u>	<u>100,001</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

24. CONTINGENT LIABILITIES

DSM SFG Group Holdings Limited is party to a guarantee with its subsidiaries under terms of the revolving credit facility agreement. The facility is a £3,000,000 (2021: £3,000,000) and held within DSM Demolition Limited. In addition, DSM Demolition Limited provides a guarantee for the £5,000,000 (2021: £5,000,000) term loan within St Francis Group (Brantham) Limited, this loan is secured against a debtor receipt in St Francis Group (Brantham) Limited.

St Francis Group (Chivenor) Limited holds land which is subject to an Overage Agreement requiring a payment to be made to a third party if land is sold, dependent on certain conditions being achieved.

25. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under section 33 of FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the Group.

In the year interest of £2,687,339 was received on the loan notes between DGH (Bolsover) and Bolsover Land Limited, a joint venture, (2021: £2,328,164). At the balance sheet date £ 6,835,317 (2021: £13,820,978) was due to the Company from Bolsover Land Limited.

DSM Demolition Limited made sales during the year to Bolsover Land Ltd, a joint venture entity of a fellow group Company, of £327,655 (2021: £6,452,051). At the year end, DSM Demolition Limited was owed £49,207 (2021: £2,722,932). In addition, the Company has previously provided a loan of £240,000 to Bolsover Land Ltd which was still repaid in the year (2021: £240,000).

At the year end DSM Demolition Limited was owed £9,490 (2021: £9,490) by MSF Filton LLP, a joint venture entity of a fellow group Company.

In the year DSM Demolition made sales to Core62 Limited, a joint venture entity of a fellow group Company, of £10,619,227 (2021: £4,798,431). At the year end Core62 Limited owed DSM Demolition £1,054,076 (2021: £1,131,287).

Core62 Limited owed each of its shareholders, St Francis Group 2 Limited and Commercial Development Projects Limited, £13,192,603 (2021: £nil).

During the year interest of £3,043,383 and £119,746 was paid in respect of shareholder loan notes held by Metric Capital Partners and Management respectively (2021: £2,757,155 and £58,335). In addition, £75,205 (2021: £nil) was paid to Metric Capital Partners relating to an agency fee and recharge of expenses. At year end the balance outstanding to Metric Capital Partners was £107,903,278 (2021: £97,944,656).

26. ULTIMATE CONTROLLING PARTY

It is the opinion of the Directors that the ultimate controlling parties are MCP Private Capital Fund II Scsp and MCP Private Capital Fund III Scsp. The ultimate and immediate parent company is Nobel Topco Limited.

Nobel Midco Limited is both the smallest and the largest group to consolidate these financial statements, copies of which can be obtained from The Mill, One High Street, Henley In Arden, B95 5AA.